

SEP 11 2000



September 7, 2000

Mr. C. David Bolender
Executive Director
Iowa Public Television
6450 Corporate Drive
Johnston, IA 50131

Dear David:

On behalf of PBS I commend Iowa PTV for organizing the Digital TV Symposium, coming up in October. Organizing this annual symposium reflects your vision, leadership and commitment towards serving the residents with quality public television today and in the future! PBS will be more than pleased to have a representative be part of the agenda.

As you know, Digital TV implementation for public television is an integral part of a federal mandate, as well as important towards advancing the PTV mission. Although none of the important features of DTV—such as HDTV, multicasting and datacasting—will be available until DTV is fully implemented, if a public station does not follow the implementation as scheduled (May 2003), that station could lose its license and public television will be lost to its entire community.

While we undertake this monumental transition, we must be aware of some key points about the laws and regulations that dictate the timetable. While the transition rules allow for some flexibility at the end of analog broadcasting in 2006, the deadline for the construction of DTV facilities is stringent and holds no such caveat. Therefore it is important to note:

- The added channel for DTV was assigned to each TV broadcaster with the condition that the analog channel be returned for sale at auction. These auctions are part of the 1997 Balanced Budget Act and are scheduled to begin in January 2001.
- Public television stations are not purposely withholding digital programming; however, if a station cannot secure the funds to construct a DTV facility, the result would place this station in jeopardy of penalties, or loss of broadcast licenses. In more detail, on July 25, 2000, during The House Subcommittee on Telecommunications Trade and Consumer Protection hearings, Thomas J. Bliley, Jr. (R-VA and Chairman of the House Commerce Committee) admonished broadcasters:

"If we learn that some broadcasters are withholding digital programming and thus falsely extend the digital transition, then the Committee should revisit the standard in the Balanced Budget Act of 1997 or prepare additional penalties for broadcasters... America's wireless industry seeks to use this spectrum to offer

new services. The wireless industry should not be held at the mercy of a broadcaster unwilling to exit the band."

During these same House Subcommittee hearings the FCC was represented by Dale Hatfield (Chief, Office of Engineering and Technology), who stated:

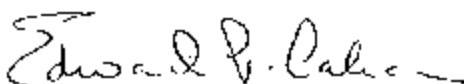
"...the broadcast industry must make the conversion from analog to digital because the public interest demands that spectrum be used more efficiently...The benefits to the American consumer of new and improved digital broadcast services and the consequent freeing up of spectrum for other services are just too great."

- In addition, the FCC has stated in other documents that when it grants extensions of time for DTV construction, the extensions must be due to circumstances that are "unforeseeable or beyond the licensee's control" and where the licensee has "taken all reasonable steps to resolve the problem expeditiously." The FCC has further stated, that, "We do not anticipate that the circumstance of "lack of equipment" would include the cost of such equipment." Therefore, public television stations must continue with construction efforts.

Public television must move ahead and go digital in order to assure continuation of its universal services in the future. This letter is designed to assist you with explaining the DTV funding imperative. It details some specific information about the policy and the legal underpinnings of the transition.

If you would like a more detailed listing of the sources on each item above, we can provide those to you. Please give me a call if there is other information you might find helpful in your fundraising efforts.

Sincerely,



Edward Calce
Senior Vice President,
PBS Technology & Operations